

Questions & Answers

Conservation Reserve Program Sign up 16 FAQs

1) Q: When will producers be notified whether their offers are acceptable?

A: Using overnight mail, the Farm Service Agency's (FSA) Kansas City Management Office sent by January 28, 1998, lists of acceptable and rejected offers to all State and County FSA offices. After receipt, County FSA offices will immediately start notifying producers.

2) Q: What is the regional distribution of the acreage in the new CRP compared to the old CRP?

A: Region	CRP Enrollment			Aggregate Through Sign-Up 16
	Old CRP	15 th Sign-Up	16 th Sign-Up	
Northeast	1%	1%	1%	1%
Appalachian	3%	2%	2%	2%
Southeast	5%	3%	2%	3%
Delta	3%	4%	2%	4%
Corn Belt	15%	10%	12%	13%
Lake States	8%	4%	11%	7%
N. Plains	27%	30%	21%	28%
S. Plains	15%	16%	18%	15%
Mountain	18%	27%	21%	23%
Pacific	5%	4%	9%	5%

Note: Numbers may not add to 100% due to rounding.

3) Q: How much acreage subject to expiring CRP contracts will be re-enrolled in this sign up?

A: Approximately 1.9 million acres that are currently subject to contracts expiring September 30, 1998, will be re-enrolled in the new CRP. 2.0 million acres will be enrolled in the CRP for the first time, and 2.0 million acres were previously enrolled in contracts that expired last year.

4) Q: When will the new contracts become effective?

A: For contracts covering land which expired September 30, 1997, and acreage subject to Water Bank Program contracts which expired December 31, 1997, CRP applicants can choose to have contracts become effective either October 1, 1998, or the first of the month after the month the contract is approved. All other contracts will become effective October 1, 1998.

5) Q: Can a 1998 crop be harvested even when normal harvest occurs after the October 1, 1998, contract effective date?

A: For contracts effective October 1, 1998, CRP participants may harvest this year's crops (provided the acreage is not already under CRP contract) even when normal harvest occurs after October 1 of the effective date of the new contract. The first year's payment is not affected by the harvest date.

6) Q: What will be the duration of CRP contracts?

A: CRP contracts will be for a term of not less than 10 years. However, for land devoted to certain practices such as restoration of cropped wetlands, hardwood trees, wildlife corridors, or restoration of rare and declining habitat, contracts may be for 15 years, as selected by the participant.

7) Q: How were the offers selected?

A: USDA used a competitive environmental benefits index (EBI) based on seven factors. The EBI factors were: (1) wildlife habitat cover benefits which encourage covers on contract acreage that will be most beneficial to wildlife; (2) water quality benefits from reduced erosion, runoff, and leaching; (3) on-farm benefits of reduced erosion; (4) enduring benefits; (5) air quality benefits from reduced wind erosion; (6) benefits of enrollment in conservation priority areas where enrollment would contribute to the improvement of water quality, wildlife habitat, or air quality; and (7) cost.

8) Q: Why did the EBI cutoff score drop from 259 for Sign-Up 15 to 247 for Sign-Up 16?

A: For the environmental factors discussed in Question 7, there were adjustments primarily to the air quality factor. The maximum point score for air quality increased from 25 points to 35 points. Other minor changes were made to the wildlife cover and enduring benefits factors. Under Sign-Up 16, applicants offered to significantly increase the wildlife habitat cover by agreeing to plant a mix of native plant species suited for the site. Additionally, applicants offered covers which provide enduring benefits such as trees, shrubs, and rare and declining habitat restoration. These types of plantings will provide benefits after the contracts expire. The score on the six raw environmental factors was 187 for Sign-Up 16 compared to 156 for Sign-Up 15.

The last component of the EBI is the cost factor. The cost component is based on 3 subfactors. The first subfactor is based on the rental rate offered by the producer; the second is whether any Federal cost-share assistance will be provided; and the third awards points for offers submitted below the maximum rental rate. For Sign-Up 16, over 52 percent of the producers submitted offers below the maximum rental rate.

For the sixteenth sign up, the total points awarded for the cost factor is 150 points compared to 200 points for Sign-Up 15. The total points for all EBI factors under Sign-Up 15 were 600 points and for Sign-Up 16 was 560 points. Given the overall lower number of available EBI points the 247-point cutoff for Sign-Up 16 has a higher relative value than the 259-point cutoff for Sign-Up 15. The 247-point cutoff would roughly equal 273 points under the point scheme used for Sign-Up 15.

9) Q: What did applicants do to achieve the increased points under the EBI?

A: Over 80 percent of applicants significantly enhanced their wildlife cover scores by agreeing to plant mixes of grasses and shrubs that are better suited for wildlife. Applicants also offered to establish more enduring practices such as tree planting, wetland restoration, and rare and declining habitat restoration. Additionally, for Sign-Up 16, applicants were awarded additional points for offers less than the maximum available rental rate and over 52 percent of the producers submitted offers below the maximum rental rate. Also, many producers submitted offers on only the most environmentally sensitive acreage while returning the more productive ground to crop production.

10) Q: Into Sign-Up 16, what were the major changes that occurred?

A: The provisions of Sign-Up 16 were announced a month before the sign-up started with an aggressive outreach program emphasizing the importance of enhancing wildlife cover, submitting competitively priced offers, and only offering the most environmentally sensitive land. As a consequence, many applicants significantly enhanced their environmental benefits score for Sign-Up 16. The average EBI score for the six environmental factors increased from 156 points (Sign-Up 15) to 187 points.

11) Q: What were the impacts of using the EBI?

A: The EBI fostered competition, enhanced cover for wildlife, encouraged enduring habitat restoration protection, and provided a quantitative basis for selection of the most environmentally sensitive acres.

12) Q: Did the rental rate increase?

A: Yes, from \$39.39 per acre for Sign-Up 15 to \$45.15 per acre for Sign-Up 16, which is still well below the historic average of \$49.67 per acre. For acreage accepted under the 16th Sign-Up, the savings associated with these lower average rental rates equates to \$261 million during the life of the CRP contracts. The greater relative weight placed on the environmental factors contributed to the increased rental rate.

13) Q: Why did you decide to use a lower weight for cost?

A: By reducing the weight for cost, we achieved significantly higher raw environmental benefits (See Question 10). A thorough review of the economic and environmental impacts of changing the cost factor was made. It continues to be the policy of the Department to direct the CRP to the highest environmental priority lands. The lands coming in using an EBI cost component of 150 points that would not have come in using a cost component of 200 have higher erosion rates, more water quality benefits, and more wildlife enhancement. For these lands, the average EBI was 40 points greater and the average Erosion Index was 5 points higher. While this significant increase in environmental benefits comes at a slightly higher average program cost of \$1.50 per acre, CRP program costs continue to be nearly \$5.00 per acre below the historic program costs.

14) Q: What are the regional impacts of using a lower weight for cost?

A: The change in the cost factor from 200 to 150 points increases the enrollment in the Corn Belt by about 100,000 acres while only slightly reducing acreage in other areas. This enrollment pattern is consistent with the general regional distribution similar to Sign-Up 15 and the historic level of the program.

15) Q: May land that was the subject of an offer and rejected for enrollment be re-offered during a later sign up?

A: Yes. Land that meets basic eligibility criteria may be offered during any CRP sign up even if it was previously offered but not accepted. The likelihood of acceptance could be increased by offering less than the maximum payment rate for the acreage, agreeing to establish more beneficial cover, or limiting the offer to only the more environmentally sensitive acreage of a particular parcel of land.

16) Q: If not accepted under a new offer, must land coming out of CRP be farmed according to a conservation plan for the producer to maintain eligibility for benefits under certain USDA programs?

A: Yes. If the acreage meets the applicable highly erodible land definition, a conservation plan will be required to retain eligibility for certain other USDA programs. For land returning to production, grazing, or other uses, the Natural Resources Conservation Service will develop conservation plans to help ensure that environmental gains achieved under CRP are maintained.

17) Q: If an offer is not acceptable, when can a producer begin preparing the CRP land for crop production?

A: Beginning July 1 in the final year of the contract, CRP participants may begin certain land preparation activities for fall-seeded crops. For 1998, in arid areas, land preparation approved for fall-seeded crops on certain CRP

acreage may begin as early as May 1 if producers agree to a reduction in their rental payment. Participants may prepare land for spring-seeded crops **only** with chemical burn down of cover during the summer. Beginning dates for this activity vary by region. All early land preparation activities must be applied under an approved conservation plan and be approved in advance from the local FSA office. Interested participants should contact their local FSA office for details regarding early land preparation policies to ensure that they do not violate the terms and conditions of their CRP contract.

18) Q: When will the next general CRP sign up be held?

A: It is likely that the next general sign up will be held this fall. A future announcement will provide specific dates and provisions.

19) Q: How many offers were made?

A: There were 126,232 offers.

20) Q: How many acres were offered for enrollment in the 16th Sign-Up?

A: 9,504,835 acres were offered.

21) Q: Compared to the historical CRP, the average Erodibility Index (EI) has declined. Why?

A: The additional emphasis of the new CRP on achieving significant wildlife and water quality benefits, when combined with the efforts to reduce soil erosion, make average EI values of accepted acres misleading indicators of program performance and the environmental quality of the enrolled acreage. While the average EI for all accepted Sign-Up 15 and Sign-Up 16 acres is about 8 points lower than the estimated average for the original CRP acreage, the average EI is 24 for those Sign-Up 15 and Sign-Up 16 lands accepted primarily on the basis of erodibility. This value is slightly higher than the estimated EI of 23 for the original CRP acreage when selection was based almost solely on soil erosion and erodibility. Even with the emphasis on other environmental factors, the vast majority (about 80 percent) of lands enrolled during Sign-Up 15 and Sign-Up 16 are highly erodible lands subject to HEL conservation compliance requirements.

22) Q: When can a CRP participant begin to establish the approved cover?

A: Approved applicants must contact the Natural Resources Conservation Service for approval of their conservation plans. CRP applicants with accepted offers may begin establishing the cover immediately. Producers who establish the cover before the CRP contract is approved do so at their own risk.

23) Q: When will producers and operators receive their first payments from land accepted into the 15th sign up of the CRP?

A: For contracts becoming effective before October 1, 1998, the first payment will be issued on or shortly after October 2, 1998. Participants with contracts becoming effective on October 1, 1998, will receive their first payment on or shortly after October 2, 1999.

24) Q: What is the distribution of the offered acres as it relates to contracts expired September 30, 1997, contracts expiring September 30, 1998, and acreage not previously under contract?

A: For the sixteenth sign up, about one-third of the acres offered were under contracts that expired September 30, 1997 (3,174,753 acres), about one-third of the acres were offers for land under contract that expire on September 30, 1998 (3,131,075 acres), and about one-third of the acres were not previously subject to a CRP contract (3,199,007 acres).

25) Q: Can you explain why some States such as North Dakota and South Dakota have such relatively low enrollment rates?

A: In general, the acres offered in the Dakotas for Sign-Up 16 had significantly less inherent soil erosion than the average for the rest of the country. Inherent soil erosion is measured using an Erodibility Index. The higher the number, the greater the potential to erode. The average erodibility index for the Nation on land offered into the CRP was 11, while the average rates in South Dakota and North Dakota were, respectively, 5.6 and 7.6. Erosion is also an element of the water quality and air quality components -- the average water quality scores for South Dakota were 17 points below the National average. Another factor that also reduced the bid acceptance was the reluctance of applicants to offer acreage below the maximum rental rate. Offers below the rental rate received additional EBI points. Very few producers in the Dakotas offered acreage below the maximum rental rate while over 50 percent of the applicants in the rest of the country offered acreage below the maximum rental rate.

26) Q: Could you provide a comparison of key CRP data for Sign-Up 15, Sign-Up 16 and the historical CRP?

A: Key Data	Historical CRP	Sign-Up 15	Sign-Up 16
Number of Offers approved	375,000	160,428	75,284
Payment Rate/Acre	\$50.00	\$39.39	\$45.15
Average EI	23	16	13
Highly Erodible Land (Acs)	28,000,000	13,532,155	4,340,440
EI>15 (Acs)	13,000,000	6,531,798	1,586,902
Cropped Wetland (Acs)	300,000	197,500	107,722
Trees	2,400,000	1,312,000	295,419
National Priority Area (Acs)	6,600,000	3,507,473	1,432,405

27) Q: Will enrollment of the 16th sign-up affect spring plantings?

A: Only those participants with land previously subject to CRP contracts which expired September 30, 1997, or waterbank contracts which expired December 31, 1997, will have the option of starting new contracts before October 1, 1998. In addition, producers offering new land for enrollment may plant crops this spring and harvest those crops in the fall without affecting their CRP payments. Therefore, the 16th Sign-Up should have very little effect on spring planting decisions.

28) Q: What will be the total enrollment in CRP on October 1, 1998, when 16th Sign-Up contracts become effective?

A: There will be 29.9 million acres enrolled in the CRP on October 1, 1998. As more acres are enrolled through continuous sign up this spring and summer, that number may increase.

29) Q: Has acreage been reserved for future continuous sign up enrollment?

A: Yes. We will reserve at least 5.5 million acres for practices covered by the continuous CRP sign-up process, the Conservation Reserve Enhancement Program (Federal/State enhancement agreements), the Conservation Farm Option program, and other initiatives. These CRP components are key to the success of the USDA Conservation Buffer Initiative. This figure is based upon USDA analysis of the acreage authority needed to ensure successful operation of these initiatives in the future. We will continue to monitor enrollment levels and producer interest and adjust this reserve if necessary.

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Additional CRP information can be obtained from the FSA home page at <http://www.fsa.usda.gov/dafp/cepd/crpinfo.htm>